

# 2003-05 State Health Budget Overview

For  
Washington State Board of Health

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# 2003-05 State Health Budget Overview

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# The Budget Shortfall

## Short --- \$2.4 Billion

- A national recession hit Washington State hard --- highest unemployment in the U.S.
- The forecast of a very slow recovery
- Health care costs (40% of the state budget) forecast to rise at rates up to 6 times higher than general inflation

# Proposed Priorities of Government in Health

- Preserve the Public Health System
- Maintain high priority programs for vulnerable children and adults; eliminate “lower priority” programs
- Preserve Medicaid and Basic Health Plan by reversing planned expansions and using new BHP tobacco tax revenue for preserved programs

# Final Budget Overview

- Similar to Proposed Priorities of Government;
  - Public health maintained
  - High priority and some “lower priority” programs for vulnerable populations preserved
  - Medicaid and Basic Health Plan preserved by reversing expansions; new tobacco tax funds used to preserve programs

# Public Health

- Expand Food Safety Program
- Add Newborn Screening Tests
- Add Tech. Asst. to Hospitals on Hearing Tests
- Increase HIV Rx Program Cost Sharing
- Eliminate Child Death Review
- Increase Reliance on Fees

# Vulnerable Children and Adults

## Major Enhancements

- \$.75/hour raise for home care workers
- 3% increase in nursing home patient payment rates
- Provide increased federal fund potential for Mental Health Regional Support Networks

# Vulnerable Children and Adults

## Reduce “lower priority” programs

- Eliminate funds for court-rejected settlement in ARC suit for DD people
- Reduce spousal resource limits; delay Medicaid nursing home payments for 500
- Cap C.O.P.E.S. ; deny help to some 700
- Cut in-home personal care for 475



# Vulnerable Children and Adults

## Reduce “lower priority” programs (con’t)

- Cut state welfare (GA-U) to those with improved medical impairments
- Reduce care for mentally ill children by requiring premium shares and tightening eligibility audits
- Cut T.A.S.C --- Drug treatment for offenders
- Eliminate treatment for those gravely disabled by substance abuse

# Medical Care

## Reduce Medical Assistance

- Replace Medically Indigent Program with smaller assistance programs for hospitals
- Reduce Managed Care Plan inflation
- Require premium shares from Medicaid recipients with incomes greater than poverty
- Reduce projected Medicaid caseload by 25,000
- Consolidate drug purchasing
- Reduce adult dental program by 25%
- Reduce DME by 5%

# Medical Care

## Reduce the Basic Health Plan

- Repeal Initiative 773 requirement to expand BHP to 175,000 enrollees by July 2005
- Reduce BHP enrollment to 100,000
- Redirect I 773 new tobacco tax revenue
- Reduce the value of BHP benefits by 18%
- Reduce assumed inflation